

CITY OF ROANOKE " OFFICE OF THE CITY MANAGER

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May 2, 2005

Honorable C. Nelson Harris, Mayor Honorable Beverly T. Fitzpatrick, Jr., Vice Mayor Honorable M. Rupert Cutler, Council Member Honorable Alfred T. Dowe, Jr., Council Member Honorable Sherman P. Lea, Council Member Honorable Brenda L. McDaniel, Council Member Honorable Brian J. Wishneff, Council Member

Dear Mayor Harris and Members of City Council:

Subject: Amendment of the 2000-2005 Consolidated Plan

Background:

In order to receive Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Shelter Grant (ESG) funding, the City of Roanoke must submit a five-year Consolidated Plan and Annual Updates to the U.S. Department of Housing and Urban Development (HUD). Substantial amendments to the plan must undergo a 30-day public review and be approved by City Council.

Under the current plan, \$700,000 in CDBG and HOME funds are designated for the Northwest Neighborhood Environmental Organization (NNEO) "Fifth Street Gateway Project" and \$200,000 for "Independent Housing for Special Needs." NNEO has requested that the City's multi-year \$2.35 million commitment, which includes the \$700,000, be redesignated for the Roanoke Redevelopment and Housing Authority (RRHA), which will manage the project. This action entails a substantial amendment to the plan. Authorization of a contract with the RRHA to implement this redesignated use will come before City Council through a separate report.

The \$200,000 for special needs housing was established in the 2003-2004 Annual Update to the present plan to assist with the development of a group home facility. A specific project to implement these funds has not been identified through two consecutive budget cycles and its continued undesignated status adversely affects expenditure timeliness compliance. Redesignating these funds for other uses also constitutes a substantial amendment.

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Considerations:

With respect to the NNEO funding, there is mutual agreement among NNEO, the RRHA and the City regarding the need to redesignate the funds. Moreover, the City has supported the RRHA's application for tax credits to assist the financing of the project, which is now to be known as "Park Street Square."

Regarding the special needs housing funding, while the redesignation will assist in managing compliance, these funds will be used for housing activities in the 2005-2006 period, including those serving special needs. The City remains committed to its support of such housing. Included in the new plan are objectives to assist approximately 115 units of special needs housing, with as much as \$1.3 million in CDBG and HOME funds to be devoted to such purposes over the coming five years. Group home facilities or other approaches can be considered.

The required 30-day public review period for these amendments was advertised April 2, 2005, with comments due by the close of business May 2, 2005. Notice of the amendments was also provided to the members of the Roanoke Neighborhood Advocates. No objections to the intended amendments have been received to date.

Recommended Actions:

- 1. Approve the amendments to the Consolidated Plan detailed in the attachment to this report, such amendments to take effect upon, and provided that no compelling objections have been received by, the conclusion of the public review period.
- 2. Transfer \$700,000 in CDBG and HOME funds from NNEO Fifth Street Gateway accounts to accounts for the RRHA Park Street Square Project as follows.

\$200,000 from NNEO 035-G04-0420-5309 to RRHA 035-G04-0420-5428 \$250,000 from NNEO 035-G05-0537-5309 to RRHA 035-G05-0520-5428 \$241,388 from NNEO 035-090-5312-5309 to RRHA 035-090-5312-5428 \$8.612 from NNEO 035-090-5325-5309 to RRHA 035-090-5325-5428

Respectfully submitted,

Darlene L. Burcham

City Manager

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DLB:feb

Attachment

c: Mary F. Parker, City Clerk
William M. Hackworth, City Attorney
Jesse A. Hall, Director of Finance
Sherman M. Stovall, Director of Management & Budget
Frank E. Baratta, Budget Team Leader

CM05-00049

2000-2005 Consolidated Plan Plan Amendments May 2, 2005

1. NNEO "Fifth Street Gateway Project"

This amendment provides that the "Fifth Street Gateway" project, which was to have been undertaken by the Northwest Neighborhood Environmental Organization, is now to be undertaken by the Roanoke Redevelopment and Housing Authority under the name "Park Street Square" project. The project continues to provide for low-income multi-unit rental and other housing at the same Gilmer neighborhood site. Of \$700,000 in federal CDBG and HOME funds currently allocated by the City to the project, \$125,000 in CDBG funds is to be made available for predevelopment costs, with additional releases pending the Authority's securing of other necessary project financing.

2. "Independent Housing for Special Needs"

This amendment would cancel the set-aside of \$200,000 in CDBG funds for the purpose of developing one or more group homes under the heading of "Independent Housing for Special Needs." The funds have remained uncommitted for two budget cycles and will be reallocated to support other housing activities to be conducted in the 2005-2006 period, including those which may assist special needs populations.